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June 27, 2025

Sompo Holdings, Inc.**Summary of Consolidated Financial Results for the fiscal year ended March 31, 2025
[Under IFRS]**

Company Name: Sompo Holdings, Inc.
 Listed on: Tokyo Stock Exchange
 Securities Code: 8630
 URL: [https:// www.sompo-hd.com/en/](https://www.sompo-hd.com/en/)
 Representative: Mikio Okumura, Group CEO, President and Representative Executive Officer

(Note) Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)**(1) Consolidated Results of Operations**

(Note) Percentages are changes from previous fiscal year.

	Insurance revenue		Net income before tax		Net income		Net income attributable to owners of parent		Comprehensive income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2025	5,065,520	4.7	330,279	(46.3)	245,210	(53.9)	243,132	(54.1)	384,075	(69.4)
Fiscal year ended March 31, 2024	4,836,830	—	614,529	—	531,739	—	529,655	—	1,256,089	—

	Basic earnings per share		Diluted earnings per share		Ratio of net income to equity attributable to owners of parent		Ratio of net income before tax to total assets	
	yen		yen		%		%	
Fiscal year ended March 31, 2025	250.90		250.90		5.8		2.0	
Fiscal year ended March 31, 2024	534.46		534.28		15.0		3.9	

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31 2025: (24,749) million yen

Fiscal year ended March 31 2024: 2,008 million yen

(Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated Financial Conditions

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	millions of yen	millions of yen	millions of yen	%	yen
As of March 31, 2025	15,890,039	4,226,153	4,205,192	26.5	4,474.77
As of March 31, 2024	16,459,939	4,127,198	4,107,621	25.0	4,159.18

(Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. Equity attributable to owners of parent per share is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2025	573,009	(272,236)	(481,660)	1,027,628
Fiscal year ended March 31, 2024	634,292	(640,089)	(112,617)	1,216,739

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2024	—	150.00	—	150.00	300.00	98,983	18.7	2.8
Fiscal year ended March 31, 2025	—	56.00	—	76.00	132.00	125,968	52.6	3.1
Fiscal year ending March 31, 2026 (Forecast)	—	75.00	—	75.00	150.00		42.1	

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. The actual dividend amounts before the said stock split are stated for the fiscal year ended March 31, 2024. Contents for the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026(forecast) are stated in figures after the stock split. On the assumption that the said stock split was implemented at the beginning of the fiscal year ended March 31, 2024, the total annual dividends per share for the fiscal year ended March 31, 2024 is 100 yen.

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

Note) Percentage is change from previous fiscal year.

	Net income attributable to owners of parent		Basic earnings per share
	millions of yen	%	yen
Full year	335,000	37.8	356.47

(Notes)

(1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2025: None

(2) Changes in accounting policies and changes in accounting estimations

- (a) Changes in accounting policies required by IFRS: None
- (b) Changes in accounting policies due to reasons other than the above: None
- (c) Changes in accounting estimations: None

(3) Number of shares outstanding (Common stock):

- (a) Total shares outstanding including treasury stock:
- As of March 31, 2025 990,482,067 shares
- As of March 31, 2024 990,482,067 shares
- (b) Treasury stock:
- As of March 31, 2025 50,727,779 shares
- As of March 31, 2024 2,879,181 shares
- (c) Average number of shares outstanding:
- For the fiscal year ended March 31, 2025 969,003,237 shares
- For the fiscal year ended March 31, 2024 990,995,427 shares

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. Total shares outstanding, treasury stock, and average number of shares outstanding are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Notes for using forecasted information, etc.

- For the purpose of enhancing the global comparability of financial information, etc., Sampo Holdings Group voluntarily adopts International Financial Reporting Standards (IFRS), instead of Japanese GAAP, to the consolidated financial statements, starting from the Annual Securities Report for the fiscal year ended March 31, 2025.
- This summary of consolidated financial results and the appendix are intended to disclose the major items disclosed in the Annual Securities Report.
- Sampo Holdings Group has announced its summary of consolidated financial results for the fiscal year ended March 31, 2025 (under Japanese GAAP) on May 20, 2025.
- The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results, etc. may differ materially from those projected herein depending on various factors.
For the assumptions underlying the forecast and notes on the use of the forecasts, please refer to 1. (3) Outlook for the fiscal year ending March 31, 2026 on page 3 of the appendix.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Fiscal Year Ended March 31, 2025

The global economy grew at a moderate pace in the fiscal year ended March 31, 2025, driven by the U.S. supported by robust consumer spending, despite tight monetary policy mainly in Europe and the U.S.

The Japanese economy recovered at a moderate pace, despite continued inflation, since corporate earnings, labor market, and income levels improved. However, the implications of the U.S. trade policy, persistent inflation, and financial/capital market fluctuations need to be closely monitored.

Under these circumstances, the consolidated financial results of Sompo Holdings Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2025 were as follows:

Insurance service result decreased by 47.4 billion yen to 304.1 billion yen compared to the previous fiscal year, the components of which were insurance revenue of 5,065.5 billion yen, insurance service expenses of 4,401.1 billion yen and income or expenses from reinsurance contracts held of (360.2) billion yen. Finance result decreased by 201.6 billion yen to 119.7 billion yen compared to the previous fiscal year, the components of which were investment gains and losses of 327.1 billion yen and insurance finance gains and losses of (207.4) billion yen.

As a result of the foregoing, Sompo Holdings, Inc. ("the Company") reported net income before tax, calculated as sum of insurance service result, finance result and other income and expenses, of 330.2 billion yen, a decrease of 284.2 billion yen from the previous fiscal year. The Company posted net income attributable to owners of parent, net of income tax expenses and others, of 243.1 billion yen, a decrease of 286.5 billion yen from the previous fiscal year.

Business results for each of the SOMPO HOLDINGS' reporting segments were as follows:

(a) Domestic P&C insurance business

In the domestic P&C insurance business, insurance revenue amounted to 2,634.4 billion yen, an increase of 48.8 billion yen from the previous fiscal year. The domestic P&C insurance business posted net income attributable to owners of parent of 58.3 billion yen, a decrease of 134.1 billion yen from the previous fiscal year.

(b) Overseas insurance business

In the overseas insurance business, insurance revenue amounted to 2,227.7 billion yen, an increase of 175.5 billion yen from the previous fiscal year. Net income attributable to owners of parent decreased by 82.6 billion yen to a net income of 177.7 billion yen compared to the previous fiscal year.

(c) Domestic life insurance business

In the domestic life insurance business, insurance revenue amounted to 254.7 billion yen, an increase of 6.2 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to owners of parent of 29.8 billion yen, a decrease of 45.8 billion yen from the previous fiscal year.

(d) Nursing care business

Other revenue increased by 5.4 billion yen to 181.3 billion yen compared to the previous fiscal year. Net income attributable to owners of parent decreased by 1.1 billion yen to a net income of 5.3 billion yen compared to the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2025

Total assets as of March 31, 2025 amounted to 15,890.0 billion yen on a consolidated basis, a decrease of 569.9 billion yen from March 31, 2024. Total equity as of March 31, 2025 amounted to 4,226.1 billion yen on a consolidated basis, an increase of 98.9 billion yen from March 31, 2024.

Cash flows for the fiscal year ended March 31, 2025 were as follows:

Cash flows from operating activities resulted in a net inflow of 573.0 billion yen, a decrease of 61.2 billion yen from the previous fiscal year.

Cash flows from investment activities resulted in a net outflow of (272.2) billion yen, an increase of 367.8 billion yen from the previous fiscal year.

Cash flows from financing activities resulted in a net outflow of (481.6) billion yen, a decrease of 369.0 billion yen from

the previous fiscal year.

As a result, cash and cash equivalents at the end of the period were 1,027.6 billion yen, a decrease of 189.1 billion yen from the end of the previous fiscal year.

(3) Outlook for the Fiscal Year Ending March 31, 2026

For the fiscal year ending March 31, 2026, the Company is forecasting net income attributable to owners of parent of 335.0 billion yen, based on the following assumptions:

- Assumptions for insurance revenue are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 110.0 billion yen for net incurred losses (excluding household earthquake insurance) of Sompo Japan Insurance Inc. in the domestic P&C insurance business due to domestic natural disasters that occur in the fiscal year ending March 31, 2026.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2025.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

As SOMPO HOLDINGS voluntarily adopts International Financial Reporting Standards (IFRS) to the consolidated financial statements, starting from the Annual Securities Report for the fiscal year ended March 31, 2025, the forecasts mentioned above are prepared based on IFRS.

2. Basic Approach to Selection of Accounting Standard

For the purpose of enhancing the global comparability of financial information, etc., SOMPO HOLDINGS voluntarily adopts International Financial Reporting Standards (IFRS), instead of Japanese GAAP, to the consolidated financial statements, starting from the Annual Securities Report for the fiscal year ended March 31, 2025.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

	(Millions of yen)		
	As of April 1, 2023 (Transition date)	As of March 31, 2024	As of March 31, 2025
Assets			
Cash and cash equivalents	1,278,088	1,216,739	1,027,628
Derivative assets	16,872	2,965	9,519
Investment securities	10,040,567	11,521,014	11,068,996
Loans and advances	516,863	495,339	508,363
Reinsurance contract assets	1,074,780	1,229,937	1,209,313
Insurance contract assets	21,199	19,521	16,294
Investments in associates	45,152	48,405	42,175
Property and equipment	639,218	618,011	619,769
Goodwill and intangible assets	539,787	552,469	535,795
Retirement benefit assets	223	418	687
Deferred tax assets	36,657	83,096	81,919
Other assets	651,257	672,020	769,576
Total assets	14,860,669	16,459,939	15,890,039
Liabilities			
Repo and similar securities borrowings	575,531	527,028	139,832
Derivative liabilities	26,099	14,861	5,410
Insurance contract liabilities	9,463,607	9,661,618	9,343,635
Reinsurance contract liabilities	912	—	1,235
Bonds issued and borrowings	614,424	691,738	691,201
Retirement benefit liabilities	59,272	21,735	28,338
Current tax liabilities	14,610	80,408	113,725
Deferred tax liabilities	338,856	572,051	544,491
Provisions	3,712	4,094	4,302
Other liabilities	779,022	759,203	791,711
Total liabilities	11,876,050	12,332,740	11,663,885
Equity			
Share capital	100,045	100,045	100,045
Capital surplus	135,882	33,156	32,733
Retained earnings	2,562,824	3,120,777	3,521,076
Treasury stocks	(82,145)	(4,125)	(188,418)
Other equity components	251,025	857,767	739,755
Total equity attributable to owners of parent	2,967,633	4,107,621	4,205,192
Non-controlling interests	16,985	19,576	20,961
Total equity	2,984,618	4,127,198	4,226,153
Total liabilities and equity	14,860,669	16,459,939	15,890,039

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Insurance revenue	4,836,830	5,065,520
Insurance service expenses	4,287,494	4,401,125
Income or expenses from reinsurance contracts held	(197,750)	(360,232)
Insurance service result	351,585	304,162
Interest income	107,065	105,817
Other investment gains and losses	403,979	235,852
Expenses related to investment	11,422	14,501
Investment gains and losses	499,621	327,168
Insurance finance expenses, net	233,284	272,708
Reinsurance finance income, net	55,067	65,274
Insurance finance gains and losses	(178,217)	(207,434)
Finance result	321,404	119,734
Other revenue	214,074	220,689
Administrative expenses	99,047	91,390
Other finance expenses	16,183	18,026
Other income	39,632	17,464
Other expenses	198,944	197,605
Investment gains and losses on the equity method	2,008	(24,749)
Other income and expenses	(58,460)	(93,617)
Net income before tax	614,529	330,279
Income tax expenses	82,789	85,068
Net income	531,739	245,210
Net income attributable to:		
Owners of parent	529,655	243,132
Non-controlling interests	2,084	2,078
Earnings per share		
Earnings per share - Basic	534.46 yen	250.90 yen
Earnings per share - Diluted	534.28 yen	250.90 yen

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Net income	531,739	245,210
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Investments in equity instruments	496,149	27,141
Remeasurements of defined benefit plans	20,878	(8,155)
Share of other comprehensive income of associates accounted for by the equity method	(27)	217
Total of items that will not be reclassified to profit or loss	517,000	19,203
Items that may be reclassified subsequently to profit or loss:		
Investments in debt instruments	(178,438)	(228,833)
Translation difference related to foreign operations	171,962	(25,730)
Changes on insurance contracts due to changes in interest rates	212,962	375,113
Changes on reinsurance contracts due to changes in interest rates	(267)	(345)
Share of other comprehensive income of associates accounted for by the equity method	1,130	(542)
Total of items that may be reclassified subsequently to profit or loss	207,348	119,661
Other comprehensive income	724,349	138,864
Comprehensive income	1,256,089	384,075
Comprehensive income attributable to:		
Owners of parent	1,253,872	381,260
Non-controlling interests	2,216	2,815

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury stocks	Other equity components		
					Investment in equity instruments	Remeasurement of defined benefit plans	Investments in debt instruments
Beginning balance	100,045	135,882	2,562,824	(82,145)	709,929	—	(20,759)
Effect due to hyperinflation			3,726				
Beginning balance (adjusted)	100,045	135,882	2,566,550	(82,145)	709,929	—	(20,759)
Comprehensive income							
Net income			529,655				
Other comprehensive income					496,122	20,915	(178,438)
Total comprehensive income	—	—	529,655	—	496,122	20,915	(178,438)
Transactions with owners, etc.							
Dividends			(92,903)				
Acquisition of treasury stocks				(25,043)			
Sale of treasury stocks		(32)		488			
Cancellation of treasury stocks		(102,573)		102,573			
Share-based payment transactions		(84)					
Changes in ownership interest in subsidiaries		(34)					
Reclassification to retained earnings			117,475		(96,559)	(20,915)	
Others							
Total transactions with owners, etc.	—	(102,725)	24,571	78,019	(96,559)	(20,915)	—
Ending balance	100,045	33,156	3,120,777	(4,125)	1,109,491	—	(199,198)

	Equity attributable to owners of parent					Non- controlling interests	Total equity
	Other equity components				Total		
	Translation difference related to foreign operations	Changes on insurance contracts due to changes in interest rates	Changes on reinsurance contracts due to changes in interest rates	Total			
Beginning balance	—	(437,924)	(219)	251,025	2,967,633	16,985	2,984,618
Effect due to hyperinflation				—	3,726		3,726
Beginning balance (adjusted)	—	(437,924)	(219)	251,025	2,971,359	16,985	2,988,345
Comprehensive income							
Net income				—	529,655	2,084	531,739
Other comprehensive income	172,923	212,962	(267)	724,217	724,217	131	724,349
Total comprehensive income	172,923	212,962	(267)	724,217	1,253,872	2,216	1,256,089
Transactions with owners, etc.							
Dividends				—	(92,903)	(494)	(93,398)
Acquisition of treasury stocks				—	(25,043)		(25,043)
Sale of treasury stocks				—	455		455
Cancellation of treasury stocks				—	—		—
Share-based payment transactions				—	(84)		(84)
Changes in ownership interest in subsidiaries				—	(34)	(8)	(43)
Reclassification to retained earnings				(117,475)	—		—
Others				—	—	877	877
Total transactions with owners, etc.	—	—	—	(117,475)	(117,610)	374	(117,236)
Ending balance	172,923	(224,962)	(486)	857,767	4,107,621	19,576	4,127,198

For the fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury stocks	Other equity components		
					Investment in equity instruments	Remeasurement of defined benefit plans	Investments in debt instruments
Beginning balance	100,045	33,156	3,120,777	(4,125)	1,109,491	—	(199,198)
Effect due to hyperinflation			4,976				
Beginning balance (adjusted)	100,045	33,156	3,125,753	(4,125)	1,109,491	—	(199,198)
Comprehensive income							
Net income			243,132				
Other comprehensive income					27,358	(8,199)	(228,833)
Total comprehensive income	—	—	243,132	—	27,358	(8,199)	(228,833)
Transactions with owners, etc.							
Dividends			(103,915)				
Acquisition of treasury stocks		(48)		(186,125)			
Sale of treasury stocks		(411)		1,832			
Share-based payment transactions		36					
Reclassification to retained earnings			256,105		(264,305)	8,199	
Others					(33)		
Total transactions with owners, etc.	—	(423)	152,190	(184,292)	(264,339)	8,199	—
Ending balance	100,045	32,733	3,521,076	(188,418)	872,510	—	(428,032)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other equity components				Total		
	Translation difference related to foreign operations	Changes on insurance contracts due to changes in interest rates	Changes on reinsurance contracts due to changes in interest rates	Total			
Beginning balance	172,923	(224,962)	(486)	857,767	4,107,621	19,576	4,127,198
Effect due to hyperinflation				—	4,976		4,976
Beginning balance (adjusted)	172,923	(224,962)	(486)	857,767	4,112,597	19,576	4,132,174
Comprehensive income							
Net income				—	243,132	2,078	245,210
Other comprehensive income	(26,965)	375,113	(345)	138,127	138,127	737	138,864
Total comprehensive income	(26,965)	375,113	(345)	138,127	381,260	2,815	384,075
Transactions with owners, etc.							
Dividends				—	(103,915)	(1,588)	(105,504)
Acquisition of treasury stocks				—	(186,173)		(186,173)
Sale of treasury stocks				—	1,421		1,421
Share-based payment transactions				—	36		36
Reclassification to retained earnings				(256,105)	—		—
Others				(33)	(33)	157	123
Total transactions with owners, etc.	—	—	—	(256,139)	(288,665)	(1,431)	(290,096)
Ending balance	145,957	150,151	(831)	739,755	4,205,192	20,961	4,226,153

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Cash flows from operating activities:		
Net income before tax	614,529	330,279
Depreciation and amortization	92,071	103,363
Impairment losses	19,186	3,329
Investment losses (gains)	(511,082)	(341,824)
Other finance expenses	16,183	17,987
Investment losses (gains) on the equity method	(2,008)	24,749
Increase (decrease) in insurance contract liabilities	197,860	253,556
Decrease (increase) in reinsurance contract assets	(26,460)	7,091
Increase (decrease) in retirement benefit liabilities	(7,695)	(5,514)
Increase (decrease) in provisions	41	66
Others	(35,273)	(26,829)
Subtotal	357,352	366,256
Interest received	255,477	327,883
Dividends received	49,434	54,107
Interest paid	(16,376)	(18,407)
Tax expenses paid	(11,595)	(156,832)
Net cash provided by (used in) operating activities	634,292	573,009
Cash flows from investment activities		
Purchase of investment securities	(3,015,147)	(2,088,689)
Proceeds from sales and redemption of investment securities	2,494,644	2,142,404
Net decrease (increase) in deposits	(3,292)	(34,358)
Payments for loans receivable	(121,084)	(111,095)
Collection of loans receivable	153,461	129,923
Net increase (decrease) in repo and similar securities borrowings	(25,722)	(232,117)
Purchase of property and equipment	(32,704)	(25,357)
Proceeds from sale of property and equipment	2,478	2,523
Purchase of intangible assets	(59,494)	(32,425)
Proceeds from sale of intangible assets	—	195
Payments for acquisition of subsidiaries	(81)	—
Proceeds from sale of subsidiaries	30,958	7,506
Payments for sale of subsidiaries	(69)	(2,226)
Others	(64,036)	(28,517)
Net cash provided by (used in) investment activities	(640,089)	(272,236)

(Millions of yen)

	Fiscal year ended March 31, 2024 (April 1, 2023 to March31, 2024)	Fiscal year ended March 31, 2025 (April1, 2024 to March31, 2025)
Cash flows from financing activities		
Net increase (decrease) in repo and similar securities borrowings	(22,780)	(155,078)
Proceeds from borrowings	3,361	6,570
Repayments of borrowings	(4,786)	(5,583)
Issuance of corporate bonds	70,000	—
Redemption of corporate bonds	(1,703)	—
Proceeds from sale of treasury stocks	139	577
Acquisition of treasury stocks	(25,043)	(186,125)
Dividends paid	(92,797)	(103,794)
Dividends paid to non-controlling interests	(241)	(254)
Others	(38,765)	(37,972)
Net cash provided by (used in) financing activities	(112,617)	(481,660)
Translation difference on cash and cash equivalents	57,065	(8,224)
Net increase (decrease) in cash and cash equivalents	(61,348)	(189,111)
Beginning balance of cash and cash equivalents	1,278,088	1,216,739
Ending balance of cash and cash equivalents	1,216,739	1,027,628

(5) Notes to the Consolidated Financial Statements
(Notes on going-concern assumption)

None.

(Additional information)

(Impact of changes in the corporate tax rate)

"Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, whereby a special defense corporation tax will be imposed from a fiscal year beginning on or after April 1, 2026.

In line with this, the effective statutory income tax rate for the calculation of deferred tax assets and deferred tax liabilities relating to temporary differences expected to be eliminated in and after a fiscal year beginning on or after April 1, 2026, was primarily changed from 27.9% to 28.9%.

As a result of this change, deferred tax liabilities (after deducting deferred tax assets) increased by 18,796 million yen, insurance contract liabilities increased by 2,967 million yen, income tax expenses increased by 9,662 million yen, and net income attributable to owners of parent decreased by 12,624 million yen, for the fiscal year ended March 31, 2025.

(Segment information)

1. Summary of reportable segments

The business segments of SOMPO HOLDINGS are the components of SOMPO HOLDINGS for which discrete financial statements are available and operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and to assess its performance.

The Group companies develop comprehensive strategies for their operations individually as an independent management unit and roll out their businesses under the group-wide management policy.

Therefore, SOMPO HOLDINGS is composed of business segments, which are comprised of each group company as a minimum unit, and there are four reportable segments, namely "Domestic P&C insurance business," "Overseas insurance business," "Domestic life insurance business," and "Nursing care business." The Company, extended warranty business, digital-related business, asset management business and other businesses that are not covered by the reportable segments are included in "Others."

"Domestic P&C insurance business" mainly engages in underwriting of property and casualty insurance, investment, and related activities in Japan; "Overseas insurance business" mainly engages in underwriting of property and casualty insurance and investment activities overseas; "Domestic life insurance business" mainly engages in underwriting of life insurance and investment activities in Japan, and "Nursing care business" mainly engages in providing nursing care and nursing care-related services.

2. Measurement basis of revenue, income or loss and other items for each reporting segment

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements. Income or loss of reportable segments is based on net income attributable to owners of parent. Intercompany revenues between segments are based on the price of transactions between third parties and others.

3. Information on the amounts of revenue, income or loss and other items by reportable segment

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 4)	Amount on the consolidated financial statements
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care business	Total				
Revenue (Note 1)									
Revenue from external customers	2,543,520	2,044,815	248,493	175,866	5,012,696	38,180	5,050,877	27	5,050,905
Internal revenue or transfers between segments	42,157	7,371	—	3	49,532	27,329	76,861	(76,861)	—
Total	2,585,678	2,052,186	248,493	175,870	5,062,229	65,509	5,127,739	(76,834)	5,050,905
Segment income (loss)	192,477	260,392	75,714	6,414	534,999	(5,514)	529,485	170	529,655
Other items									
Interest income	26,504	24,735	55,733	81	107,054	11	107,065	—	107,065
Interest paid	6,916	4,967	65	3,895	15,844	339	16,183	—	16,183
Depreciation and amortization (Note 3)	42,474	18,101	3,148	26,392	90,117	1,953	92,071	—	92,071
Investment gains and losses on the equity method	124	1,515	—	—	1,640	368	2,008	—	2,008
Impairment losses	169	16,679	—	2,177	19,026	160	19,186	—	19,186
Income tax expenses	67,714	(14,694)	29,675	1,741	84,437	(1,647)	82,789	—	82,789
Investment in associates accounted for by the equity method	2,592	21,596	—	—	24,188	24,216	48,405	—	48,405
Capital expenditures (Note 3)	73,880	15,194	2,466	16,969	108,510	3,419	111,930	—	111,930
Segment assets	6,825,413	4,871,683	3,858,943	430,758	15,986,799	473,140	16,459,939	—	16,459,939

(Notes) 1. Revenue represents "Insurance revenue" for the insurance business, "Other revenue" for the other businesses, and the total amount of "Insurance revenue" and "Other revenue" for the consolidated financial statements.

2. The category "Others" is a business segment not included in the reportable segments. It includes the Company (insurance holding company), extended warranty business, digital-related business, asset management business and other businesses.

3. Depreciation and amortization as well as capital expenditures include amount related to right-of-use assets.

4. Adjustments of revenue are mainly adjustments of other revenue related to domestic P&C insurance business, overseas insurance business and domestic life insurance business amounting to 27 million yen, and the elimination of intercompany transactions between segments amounting to (76,861) million yen. Adjustments of segment income (loss) are solely elimination of intercompany transactions between segments.

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 4)	Amount on the consolidated financial statements
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care business	Total				
Revenue (Note 1)									
Revenue from external customers	2,590,896	2,219,907	254,716	181,364	5,246,885	39,184	5,286,069	140	5,286,210
Internal revenue or transfers between segments	43,581	7,796	—	3	51,382	26,830	78,212	(78,212)	—
Total	2,634,478	2,227,704	254,716	181,368	5,298,267	66,015	5,364,282	(78,072)	5,286,210
Segment income (loss)	58,338	177,771	29,876	5,303	271,289	(27,551)	243,737	(605)	243,132
Other items									
Interest income	31,132	18,102	56,470	81	105,787	30	105,817	—	105,817
Interest paid	6,911	6,444	476	3,790	17,622	365	17,987	—	17,987
Depreciation and amortization (Note 3)	53,125	18,284	3,684	26,316	101,411	1,952	103,363	—	103,363
Investment gains and losses on the equity method	147	(111)	—	—	36	(24,786)	(24,749)	—	(24,749)
Impairment losses	861	—	—	2,420	3,282	47	3,329	—	3,329
Income Tax expenses	15,049	36,624	28,649	2,918	83,240	1,828	85,068	—	85,068
Investment in associates accounted for by the equity method	2,667	14,505	—	—	17,172	25,002	42,175	—	42,175
Capital expenditures (Note 3)	40,138	25,692	3,174	23,447	92,453	1,524	93,978	—	93,978
Segment assets	6,311,943	5,243,189	3,392,431	429,136	15,376,700	513,338	15,890,039	—	15,890,039

- (Notes) 1. Revenue represents "Insurance revenue" for the insurance business, "Other revenue" for the other businesses, and the total amount of "Insurance revenue" and "Other revenue" for the consolidated financial statements.
2. The category "Others" is a business segment not included in the reportable segments. It includes the Company (insurance holding company), extended warranty business, digital-related business, asset management business and other businesses.
3. Depreciation and amortization as well as capital expenditures include amount related to right-of-use assets.
4. Adjustments of revenue are mainly adjustments of other revenue related to domestic P&C insurance business, overseas insurance business and domestic life insurance business amounting to 140 million yen, and the elimination of intercompany transactions between segments amounting to (78,212) million yen. Adjustments of segment income (loss) are solely elimination of intercompany transactions between segments.

4. Information by products and services

(Millions of yen)

Insurance revenue	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
P&C insurance business		
Fire	982,633	1,057,846
Marine	171,330	191,381
Personal accident	161,272	161,523
Automobile	1,271,538	1,328,861
Compulsory automobile liability	229,087	225,955
Others (Note)	1,772,474	1,845,236
Life insurance business		
Individual insurance	236,958	243,420
Individual annuities	1,405	1,245
Group insurance	10,129	10,050
Group annuities	—	—
Total	4,836,830	5,065,520

(Note) Others are mainly insurance revenue from the overseas insurance business including agricultural insurance, liability insurance and others.

5. Information by geographic area

(1) Revenue

(Millions of yen)

	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Japan	2,983,028	3,034,937
Overseas	2,067,876	2,251,273
Total	5,050,905	5,286,210

(Notes) 1. Geographic area is classified in line with the categories used for management purposes which are mainly based on the locations of customers.
2. The total amount of insurance revenue and other revenue in the consolidated statements of income is presented. Other revenue primarily consists of revenue from the nursing care business, which is generated domestically.

(2) Non-current assets

(Millions of yen)

	As of April 1, 2023 (Transition date)	As of March 31, 2024	As of March 31, 2025
Japan	970,300	958,029	938,772
Overseas	208,705	212,451	216,793
Total	1,179,006	1,170,480	1,155,565

(Note) Geographic area is classified in line with the categories used for management purposes which are mainly based on the locations of subsidiaries.

6. Information by major customers

None.

(Per share information)

1. Basic

Basic earnings per share are calculated by dividing the net income attributable to the ordinary shareholders of the parent by the average number of ordinary shares outstanding during the year, excluding ordinary shares purchased and held as treasury shares by SOMPO HOLDINGS.

2. Diluted

Diluted earnings per share are calculated by adjusting the average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. SOMPO HOLDINGS' stock acquisition rights are included in the calculation of potential dilutive ordinary shares.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income attributable to the ordinary shareholders of the parent (millions of yen)	529,655	243,132
Average number of ordinary shares for basic earnings per share (thousands of shares)	990,995	969,003
Effect of dilutive shares: - Stock acquisition rights (thousands of shares)	336	3
Average number of ordinary shares for diluted earnings per share (thousands of shares)	991,331	969,006
Basic earnings per share (yen)	534.46	250.90
Diluted earnings per share (yen)	534.28	250.90
Summary of shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

- (Notes) 1. The Company implemented a 3-for-1 stock split on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.
2. In the calculation of basic earnings per share and diluted earnings per share, the Company shares outstanding in the "Board Benefit Trust (BBT)" which are recognized as treasury stocks in the shareholders' equity are included in the treasury stocks deducted from the average number of ordinary shares outstanding. The average number of ordinary shares of the treasury stock above mentioned is 2,301 thousand for the fiscal year ended March 31, 2024 and is 1,614 thousand for the fiscal year ended March 31, 2025.

(Significant subsequent events)

1. Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's share buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 20, 2025.

(1) Reason for share buybacks

While ensuring financial soundness and improving capital efficiency by investing in growth business fields, the Company upholds a shareholder return policy of paying a basic return (50% of adjusted consolidated profit) and, in principle, a supplementary return of 50% of the after-tax gains on the sale of strategic shareholding.

Furthermore, the Company will consider adjusting the capital level depending on risk and capital conditions, trends in business performance, and financial market environment. These shareholder return shall be provided by dividends and share buybacks.

In accordance with this shareholder return policy, the Company will conduct share buybacks as basic and supplementary return.

(2) Details of share buybacks

(a) Class of shares	Common stock of the Company
(b) Potential total number	33,000,000 shares (upper limit)
(c) Total price	105,000,000,000 yen (upper limit)
(d) Period	June 2, 2025 – November 18, 2025

2. Cancellation of treasury stock

The Company resolved to cancel the Company's treasury stock, pursuant to Article 178 of the Companies Act at the Company's Board of Directors meeting on May 20, 2025, and implemented the cancellation on May 30, 2025.

(1) Class of shares to be cancelled	Common stock of the Company
(2) Number of shares to be cancelled	56,253,300 shares
(3) Total number of issued shares (after the cancellation)	934,228,767 shares
(4) Date of the cancellation	May 30, 2025

(Transition to IFRS)

SOMPO HOLDINGS adopts IFRS from the consolidated financial statements of the fiscal year ended March 31, 2025 onwards. The most recent consolidated financial statements prepared under Japanese GAAP are for the fiscal year ended March 31, 2024. The date of transition from Japanese GAAP to IFRS is April 1, 2023.

1. Exemption under IFRS 1

IFRS 1 *First-time Adoption of International Financial Reporting Standards* requires first-time adopting entities to retrospectively apply all effective standards required under IFRS as of the reporting date. However, IFRS 1 also provides for certain optional exemptions, and the Group has applied the following exemptions:

(1) Business combinations

IFRS 1 permits entities not to apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred prior to the date of transition to IFRS. SOMPO HOLDINGS has elected to apply this exemption and such business combinations have not been restated. Therefore, goodwill arising from business combinations prior to the date of transition is stated in the opening statements of financial position in accordance with Japanese GAAP. Impairment tests were performed for such goodwill as of the transition date, regardless of the existence of indication of impairment.

(2) Translation difference related to foreign operations

IFRS 1 permits entities to elect to deem the cumulative translation difference related to foreign operations to be zero at the transition date. SOMPO HOLDINGS has applied this exemption.

(3) Designation of financial instruments recognized prior to the transition date

IFRS 1 permits entities to determine the classification under IFRS 9 *Financial Instruments* based on facts and circumstances that exist at the date of transition, rather than facts and circumstances that existed at the time of initial recognition. In addition, on the bases above, IFRS 1 permits entities to designate equity instruments as financial assets measured at fair value through other comprehensive income. SOMPO HOLDINGS has applied this exemption and designated certain equity instruments, with some exceptions, as financial assets measured at fair value through other comprehensive income.

(4) Insurance contracts

IFRS 1 permits entities to apply the transition exemptions under IFRS 17 *Insurance Contracts* to the measurement of insurance contracts at the transition date. On transition to IFRS 17, the full retrospective approach is applied to the extent practicable. However, in identifying and measuring certain groups of contracts, the modified retrospective approach or the fair value approach are applied as it did not have reasonable and supportable information to apply IFRS 17 retrospectively.

For the P&C insurance business, domestic insurance companies apply the full retrospective approach to groups of insurance and reinsurance contracts related to new contracts from January 1, 2022. For other groups of insurance and reinsurance contracts, the fair value approach is applied. Additionally, overseas insurance companies apply the full retrospective approach to groups of insurance and reinsurance contracts related to new contracts from January 1, 2020. For other groups of insurance and reinsurance contracts, the modified retrospective approach is applied.

For the life insurance business, the full retrospective approach is applied to groups of insurance contracts related to new contracts from April 1, 2022. For other groups of insurance contracts, the fair value approach is applied to variable insurance contracts, and the modified retrospective approach is applied to non-variable insurance contracts.

For the contracts to which the modified retrospective approach is applied, the contractual service margin (CSM)

or the loss component of the liability for remaining coverage at the date of transition are determined based on assumptions and estimates of cash flows with reasonable and supportable information available at the date of transition. For the insurance contracts acquired through business combinations under IFRS 3, insurance liabilities for loss incurred prior to the business combinations are categorized to insurance liabilities for incurred claims.

For the contracts to which the fair value approach is applied, the CSM or the loss component of the liability for remaining coverage at the date of transition are determined as the difference between the fair value of the group of contracts and the fulfilment cash flows based on reasonable and supportable information available at the date of transition. In addition, for all groups of contracts measured under the fair value approach, the amount of insurance finance gains and losses accumulated in OCI at the date of transition was determined to be zero.

(5) Leases as lessees

IFRS 1 permits first-time adopters to assess whether a contract contains a lease at the transition date. SOMPO HOLDINGS applies this exemption and determines whether a contract contains a lease based on the facts and circumstances existing at the transition date. IFRS 1 permits the lessee to measure the lease liability and right-of-use asset as of the date of transition to IFRS for all leases when recognizing the lease liability and right-of-use asset under the lessee's lease. SOMPO HOLDINGS applies this exemption and measures the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition.

SOMPO HOLDINGS also measures right-of-use assets at the same amount as lease liabilities at the date of transition and applies IAS 36 *Impairment of Assets* to right-of-use assets at the date of transition. Leases for which the lease term ends within 12 months from the date of transition to IFRS and leases for which the underlying asset is of low value are recognized as an expense.

2. Mandatory exceptions to the retrospective application under IFRS 1

IFRS 1 prohibits retrospective application of other IFRSs, such as 'estimates', 'derecognition of financial assets and financial liabilities', 'non-controlling interests' 'classification and measurement of financial assets', etc. SOMPO HOLDINGS applies these requirements in IFRSs prospectively from the date of transition to IFRSs.

3. Reconciliation from Japanese GAAP to IFRS

The following reconciliations and explanatory notes provide a description of the effect of the transition from Japanese GAAP to IFRS on SOMPO HOLDINGS' financial position, operating results and cash flows. In principle, 'Reclassification' includes items that do not affect retained earnings or comprehensive income, while 'Differences in recognition and measurement' includes items that affect retained earnings and comprehensive income.

Reconciliation of equity

Reconciliation of equity at the transition date (April 1, 2023)

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Assets						Assets
Cash and deposits	1,246,638	13,569	17,879	1,278,088	(1) (10)	Cash and cash equivalents
Receivables under resale agreements	69,999	(69,999)	—	—	(1)	
Monetary receivables bought	21,915	(21,915)	—	—	(2)	
Money trusts	21,236	(21,236)	—	—	(2)	
Securities	9,808,182	(24,651)	257,037	10,040,567	(2) (10) (11) (13)	Investment securities
	—	44,561	590	45,152	(4) (10)	Investments in associates
Loans	484,145	74,839	(42,121)	516,863	(1) (13)	Loans and advances
	—	—	21,199	21,199	(11) (17)	Insurance contract assets
	—	—	1,074,780	1,074,780	(11) (17)	Reinsurance contract assets
Tangible fixed assets	360,882	4,322	274,014	639,218	(15)	Property and equipment
Intangible fixed assets	543,122	4,320	(7,656)	539,787	(16)	Goodwill and intangible assets
Other assets	707,418	(34,226)	(21,934)	651,257	(10) (11) (13) (17)	Other assets
	—	24,930	(8,058)	16,872	(5) (14)	Derivative assets
Net defined benefit asset	230	—	(6)	223	(18)	Retirement benefit assets
Deferred tax assets	90,499	—	(53,841)	36,657	(21)	Deferred tax assets
Allowance for possible credit losses	(2,995)	—	2,995	—	(13)	
Total assets	13,351,277	(5,485)	1,514,878	14,860,669		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Liabilities						Liabilities
Underwriting funds	9,475,679	—	(9,475,679)	—	(17)	
	—	—	9,463,607	9,463,607	(11) (17)	Insurance contract liabilities
	—	—	912	912	(17)	Reinsurance contract liabilities
Corporate bonds	609,051	6,554	(1,181)	614,424	(3)	Bonds issued and borrowings
Other liabilities	1,127,008	(577,040)	229,054	779,022	(3) (10) (11) (15) (17) (19)	Other liabilities
	—	575,531	—	575,531		Repo and similar securities borrowings
	—	25,401	698	26,099	(5) (14)	Derivative liabilities
	—	6,188	8,421	14,610		Current tax liabilities
	—	3,539	173	3,712		Provisions
Net defined benefit liability	59,235	—	37	59,272	(18)	Retirement benefit liabilities
Reserve for retirement benefits to directors	16	(16)	—	—		
Reserve for bonus payments	42,488	(42,488)	—	—		
Reserve for bonus payments to directors	487	(487)	—	—		
Reserve for stocks payments	2,669	(2,669)	—	—	(19)	
Reserve for price fluctuation	110,858	—	(110,858)	—	(20)	
Deferred tax liabilities	4,642	—	334,214	338,856	(21)	Deferred tax liabilities
Total liabilities	11,432,136	(5,485)	449,399	11,876,050		Total liabilities
Net assets						Equity
Common stock	100,045	—	—	100,045		Share capital
Capital surplus	134,708	269	904	135,882	(19)	Capital surplus
Retained earnings	961,838	—	1,600,986	2,562,824	(23)	Retained earnings
Treasury stock	(82,145)	—	—	(82,145)		Treasury stocks
Total accumulated other comprehensive income	788,599	—	(537,574)	251,025	(11) (13) (14) (17) (18) (22)	Other equity components
Stock acquisition rights	269	(269)	—	—		
Non-controlling interests	15,824	—	1,161	16,985		Non-controlling interests
Total net assets	1,919,140	—	1,065,478	2,984,618		Total equity
Total liabilities and net assets	13,351,277	(5,485)	1,514,878	14,860,669		Total liabilities and equity

Reconciliation of equity as of March 31, 2024

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Assets						Assets
Cash and deposits	1,231,345	(34,741)	20,136	1,216,739	(1) (10)	Cash and cash equivalents
Receivables under resale agreements	14,999	(14,999)	—	—	(1)	
Monetary receivables bought	21,686	(21,686)	—	—	(2)	
Money trusts	4,843	(4,843)	—	—	(2)	
Securities	11,424,810	(55,494)	151,697	11,521,014	(2) (10) (11) (13)	Investment securities
	—	47,022	1,383	48,405	(4) (10)	Investments in associates
Loans	451,662	79,690	(36,013)	495,339	(1) (13)	Loans and advances
	—	—	19,521	19,521	(11) (17)	Insurance contract assets
	—	—	1,229,937	1,229,937	(11) (17)	Reinsurance contract assets
Tangible fixed assets	371,583	5,825	240,603	618,011	(15)	Property and equipment
Intangible fixed assets	518,922	12,504	21,042	552,469	(16)	Goodwill and intangible assets
Other assets	710,294	(19,133)	(19,141)	672,020	(10) (11) (13) (17)	Other assets
	—	3,447	(482)	2,965	(5) (14)	Derivative assets
Net defined benefit asset	433	—	(14)	418	(18)	Retirement benefit assets
Deferred tax assets	85,110	—	(2,014)	83,096	(21)	Deferred tax assets
Allowance for possible credit losses	(2,913)	—	2,913	—	(13)	
Total assets	14,832,778	(2,408)	1,629,569	16,459,939		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Liabilities						Liabilities
Underwriting funds	9,810,421	—	(9,810,421)	—	(17)	
	—	—	9,661,618	9,661,618	(11) (17)	Insurance contract liabilities
	—	—	—	—	(17)	Reinsurance contract liabilities
Corporate bonds	682,349	5,128	4,260	691,738	(3)	Bonds issued and borrowings
Other liabilities	1,111,287	(569,276)	217,191	759,203	(3) (10) (11) (15) (17) (19)	Other liabilities
	—	527,028	—	527,028		Repo and similar securities borrowings
	—	14,744	116	14,861	(5) (14)	Derivative liabilities
	—	76,560	3,847	80,408		Current tax liabilities
	—	3,901	193	4,094		Provisions
Net defined benefit liability	21,654	—	81	21,735	(18)	Retirement benefit liabilities
Reserve for retirement benefits to directors	16	(16)	—	—		
Reserve for bonus payments	57,500	(57,500)	—	—		
Reserve for bonus payments to directors	443	(443)	—	—		
Reserve for stocks payments	2,535	(2,535)	—	—	(19)	
Reserve for price fluctuation	116,413	—	(116,413)	—	(20)	
Deferred tax liabilities	161,895	—	410,156	572,051	(21)	Deferred tax liabilities
Total liabilities	11,964,519	(2,408)	370,630	12,332,740		Total liabilities
Net assets						Equity
Common stock	100,045	—	—	100,045		Share capital
Capital surplus	32,096	235	824	33,156	(19)	Capital surplus
Retained earnings	1,291,783	—	1,828,994	3,120,777	(23)	Retained earnings
Treasury stock	(4,125)	—	—	(4,125)		Treasury stocks
Total accumulated other comprehensive income	1,432,100	—	(574,333)	857,767	(11) (13) (14) (17) (18) (22)	Other equity components
Stock acquisition rights	235	(235)	—	—		
Non-controlling interests	16,123	—	3,453	19,576		Non-controlling interests
Total net assets	2,868,258	—	1,258,939	4,127,198		Total equity
Total liabilities and net assets	14,832,778	(2,408)	1,629,569	16,459,939		Total liabilities and equity

Reconciliation of comprehensive income

Reconciliation of net income for the fiscal year ended March 31, 2024

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Underwriting income	4,099,489	—	(4,099,489)	—	(17)	
Underwriting expenses	3,495,132	—	(3,495,132)	—	(17)	
	—	—	4,836,830	4,836,830	(11) (12) (17)	Insurance revenue
	—	—	4,287,494	4,287,494	(11) (12) (17) (18) (19)	Insurance service expenses
	—	—	(197,750)	(197,750)	(11) (17)	Income or expenses from reinsurance contracts held
	604,357	—	(252,772)	351,585		Insurance service result
Investment income	592,545	(565,907)	(26,637)	—	(6) (11) (17)	
Investment expenses	108,014	(106,815)	(1,198)	—	(6) (11)	
	—	101,565	5,499	107,065	(6) (13)	Interest income
	—	353,324	50,654	403,979	(6) (13)	Other investment gains and losses
	—	10,122	1,299	11,422		Expenses related to investment
	484,531	(14,325)	29,415	499,621		Investment gains and losses
	—	—	233,284	233,284	(11) (17)	Insurance finance expenses, net
	—	—	55,067	55,067	(17)	Reinsurance finance income, net
	—	—	(178,217)	(178,217)		Insurance finance gains and losses
	484,531	(14,325)	(148,801)	321,404		Finance result
Other ordinary income	241,611	(37,836)	10,299	214,074	(8)	Other revenue
Other ordinary expenses	183,714	(176,730)	(6,984)	—	(7) (8) (11)	
Operating, general and administrative expenses	658,750	(10,679)	(549,023)	99,047	(11) (16) (17) (18) (19)	Administrative expenses
Extraordinary gains	1,129	(1,129)	—	—	(8)	
Extraordinary losses	9,583	(9,583)	—	—	(8) (20)	
	—	12,579	3,604	16,183	(7) (15)	Other finance expenses
	—	41,676	(2,044)	39,632	(8) (10)	Other income
	—	173,995	24,949	198,944	(8) (10)	Other expenses
	—	1,196	811	2,008	(9) (10)	Investment gains and losses on the equity method
	(609,307)	14,325	536,521	(58,460)		Other income and expenses
Net income before income taxes	479,581	—	134,947	614,529		Net income before tax
Total income taxes	61,514	—	21,274	82,789	(11)	Income tax expenses
Net income	418,066	—	113,673	531,739		Net income

Reconciliation of other comprehensive income for the fiscal year ended March 31, 2024

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Net income	418,066	—	113,673	531,739		Net income
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss:
Unrealized gains and losses on securities available for sale	538,779	(83,506)	40,875	496,149	(13)	Investments in equity instruments
Remeasurements of defined benefit plans	20,303	—	575	20,878	(18)	Remeasurements of defined benefit plans
	—	—	(27)	(27)		Share of other comprehensive income of associates accounted for by the equity method
	—	83,506	(261,944)	(178,438)	(13)	Items that may be reclassified subsequently to profit or loss:
Deferred gains and losses on hedges	(716)	—	716	—	(14)	Investments in debt instruments
Foreign currency translation adjustments	84,679	—	87,283	171,962	(22)	Cash flow hedge
	—	—	212,962	212,962	(17)	Translation difference related to foreign operations
	—	—	(267)	(267)	(17)	Changes on insurance contracts due to changes in interest rates
Share of other comprehensive income of affiliates accounted for under the equity method	733	—	396	1,130		Changes on reinsurance contracts due to changes in interest rates
						Share of other comprehensive income of associates accounted for by the equity method
Total other comprehensive income	643,779	—	80,569	724,349		Other comprehensive income
Comprehensive income	1,061,846	—	194,242	1,256,089		Comprehensive income
Comprehensive income attributable to shareholders of the parent	1,059,555	—	194,317	1,253,872		Comprehensive income attributable to:
Comprehensive income attributable to non-controlling interests	2,291	—	(74)	2,216		Owners of parent
						Non-controlling interests

Notes on reconciliation of equity and comprehensive income

(Reclassifications)

(1) Cash and cash equivalents

Time deposits with a term to maturity of greater than three months, which are classified as 'cash and deposits' under Japanese GAAP, are included and presented as 'loans and advances' under IFRS. 'Receivables under resale agreements', which are presented separately under Japanese GAAP, are included and presented as 'cash and cash equivalents' under IFRS.

(2) Investment securities

'Monetary receivables bought', 'money trusts' and 'securities' under Japanese GAAP are presented collectively as 'investment securities' under IFRS.

(3) Bonds issued and borrowings

Borrowings included in 'other liabilities' under Japanese GAAP are included in 'bonds issued and borrowings' under IFRS.

(4) Investments in associates

Investments accounted for using the equity method, which are included in 'Securities' under Japanese GAAP, are presented as 'Investments in associates' under IFRS.

(5) Derivative assets and derivative liabilities

Derivative assets included in 'Other assets' and derivative liabilities included in 'Other liabilities' under Japanese GAAP are presented as 'Derivative assets' and 'Derivative liabilities' under IFRS.

(6) Interest income and Other investment gains and losses

'Investment income' under Japanese GAAP is included in 'Interest income' and 'Other investment gains and losses' under IFRS. Additionally, 'Investment expenses' under Japanese GAAP is included in 'Other investment gains or losses' under IFRS.

(7) Other finance expenses

Interest expense included in 'Other ordinary expenses' under Japanese GAAP is included in 'Other finance expenses' under IFRS.

(8) Other income and Other expenses

Some of the 'Other ordinary income' and 'Extraordinary gains' under Japanese GAAP are presented as 'Other income' under IFRS. Additionally, 'Other ordinary expenses' and 'Extraordinary losses' under Japanese GAAP are presented as 'Other expenses' under IFRS.

(9) Investment gains and losses on the equity method

Investment gains and losses on the equity method included in 'Other ordinary income' or 'Other ordinary expenses' under Japanese GAAP are presented as 'Investment gains and losses on the equity method' under IFRS.

(Differences in recognition and measurement)

(10) Scope of consolidation

Under Japanese GAAP, subsidiaries that do not have material impact on the consolidated financial statements are excluded from the scope of consolidation. Under IFRS, the scope of consolidation is determined based on the established principles. In addition, under Japanese GAAP, fund-related investments such as investment trust are accounted for as financial instruments according to the holding purposes. Under IFRS, judgment on whether the company has substantial controls over these structured entities is made on the grounds that the company has power that affect variable returns of their investee. If the company is deemed to have controls, it is included within the scope of consolidation.

(11) Alignment of reporting period-end dates

Under Japanese GAAP, for the consolidated subsidiaries, whose reporting period-end date differs from that of the parent, consolidation was implemented by using the financial statements of the subsidiary with making the adjustments for the effects of significant transactions between the parent and subsidiaries during the different reporting period end dates, if the difference is no more than three months. Under IFRS, subsidiaries with different reporting period-end date are consolidated by preparing financial statements using provisional calculations as of the parent's reporting period-end date.

(12) Foreign currency translation

Under Japanese GAAP, revenues and expenses from foreign operations are translated into Japanese yen using the exchange rate at the period-end. Under IFRS, the average rate for the period is used unless exchange rates fluctuate significantly.

(13) Financial instruments: classification and measurement

Under Japanese GAAP, securities are classified into 'trading securities', 'bonds held-to-maturity', 'policy reserve matching bonds', 'shares in subsidiaries and associates' and 'other securities.' 'Bonds held-to-maturity' and 'policy reserve matching bonds' are measured at amortized cost while 'trading securities' and 'other securities' are measured at fair value through profit or loss and other comprehensive income, respectively. Also, receivables such as loans etc. are measured at amortized cost. Under IFRS, financial assets are classified as: 'equity instruments measured at fair value through other comprehensive income (equity FVTOCI)', 'debt instruments measured at fair value through other comprehensive income (debt FVTOCI)', 'instruments measured at fair value through profit or loss (FVTPL)' or instruments measured at amortized cost, depending on the business model for managing the financial assets and contractual cash flow characteristics of the financial assets.

Investment securities (equity instruments)

Under Japanese GAAP, for stocks classified as 'other securities,' gain or loss on sale of securities as well as impairment loss are recognized in profit or loss. Under IFRS, it is designated as 'equity FVTOCI' and changes in fair value are recognized as other comprehensive income. If such financial assets are derecognized, amount of accumulated other comprehensive income is subsequently reclassified to retained earnings. Under Japanese GAAP, as a basic rule, unlisted stocks are measured at cost, whereas under IFRS, these are measured at fair value.

Investment securities (debt instruments)

Under Japanese GAAP, bonds classified as 'bonds held-to-maturity' or 'policy reserve matching bonds' are measured at amortized cost on a straight-line basis. Under IFRS, it is classified as 'debt FVTOCI' and measured at fair value. In addition, under Japanese GAAP, impairment losses are recognized based on criteria such as significant decline in market value. Meanwhile, IFRS accounts for expected credit loss based on criteria such as

significant increases in credit risks since initial recognition. Under Japanese GAAP, difference in the amount of foreign currency translation related to bonds is recognized in other comprehensive income, whereas IFRS recognizes it as profit or loss.

Fund-related investments such as investment trusts

Under Japanese GAAP, for investment trusts classified as 'other securities', the unrealized gains and losses are recognized in other comprehensive income and for the investment in partnerships and others, held share of profit or losses of partnerships' operations are recognized in profit or loss. Under IFRS, investment trusts excluding those recognized as subsidiaries are classified as 'FVTPL' and the amount of changes in fair value is recognized in profit or loss.

Loans and advances

Under Japanese GAAP, loans are measured at amortized cost using the straight-line method. Under IFRS, they are measured at amortized cost using the effective interest method. Under Japanese GAAP, any amount deemed to be uncollectable as a result of the credit risk self-assessment as of the end of the period is recognized as 'allowance for possible credit losses.' Under IFRS, expected credit losses are recognized based on criteria such as significant increase in credit risk since initial recognition.

(14) Hedge accounting

Under Japanese GAAP, deferred hedge accounting has been applied for interest rate risks related to insurance contracts. However, under IFRS, hedge accounting is not applied because they do not meet the criteria of qualifying hedge relationship. For foreign currency risks related to foreign bonds, fair value hedge has been used under Japanese GAAP but it was elected not to apply hedge accounting under IFRS.

(15) Leases as lessees

Under Japanese GAAP, leased assets are not recorded for operating leases. However, under IFRS, right-of-use assets and lease liabilities are recognized for all leases, including operating leases, if they meet requirements, in principle.

(16) Goodwill

Under Japanese GAAP, goodwill was amortized on a straight-line basis over a certain period. Under IFRS, goodwill is no longer amortized on and after the transition date and conduct impairment tests.

(17) Insurance contracts and reinsurance contracts

Due to significant differences in measurement and presentation methods between Japanese GAAP and IFRS as described below, the entire amount recorded under Japanese GAAP has been reversed and the entire amount recorded under IFRS has been newly recognized as 'Differences in recognition and measurement.'

Classification and measurement

Under Japanese GAAP, reserve for insurance policy liabilities (required under the Insurance Business Act) was recognized as liabilities. Under IFRS, insurance and reinsurance contracts are measured as the total of: (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM and recognized as assets or liabilities. Some of the insurance and reinsurance contracts are measured by applying premium allocation approach (PAA), which is the simplified method, and recognized as assets or liabilities.

The measuring methods under Japanese GAAP and IFRS are similar for assets or liabilities for remaining coverage related to contracts measured by applying the PAA. However, for assets or liabilities for incurred claims related to such contracts and assets or liabilities related to contracts that are measured by not applying PAA, the

methods are different mainly in the following points:

- Under Japanese GAAP, undiscounted amounts have been recognized, in principle. Under IFRS, the amount is measured based on the estimates of future cash flows discounted by using the rate that reflects the time value of money.
- Japanese GAAP does not consider risk adjustments explicitly. Under IFRS, the amounts are measured by reflecting a risk adjustment for non-financial risks in the estimates of future cash flows.
- Japanese GAAP is based on the assumptions related to the estimates at the time of contract signing, in principle. Under IFRS, the estimates of future cash flows are measured based on the estimates as of the period end.
- Under Japanese GAAP, costs related to insurance contracts are recognized as they arise, in principle. Under IFRS, acquisition expenses and direct maintenance costs are included in the measurement of the estimates of future cash flows.

Presentation of insurance revenue

Under Japanese GAAP, it is presented separately as 'premium written' which is recognized when the amount is received from policyholders, and the change in underwriting reserves which is the part of the underwriting funds ('provision for underwriting reserves' which is recognized as expense, and 'reversal of underwriting reserves' which is recognized as income). Under IFRS, it is presented as 'insurance revenue.'

Presentation of insurance service expenses

Under Japanese GAAP, it was presented separately such as: 'claims paid' which is recognized at the time they were paid to policyholders, and the change in reserve for outstanding losses and claims which is the part of the underwriting funds ('provision for reserve for outstanding losses and claims' which is recognized as expense, and 'reversal of reserve for outstanding losses and claims' which is recognized as income.) However, under IFRS it is presented as 'insurance service expenses.' Also under IFRS, profit and losses from onerous contracts are included in 'insurance service expenses.'

(18) Retirement benefit obligations related to defined benefit plans

Under Japanese GAAP, actuarial gains and losses and past service costs are accounted for as an expense on a straight-line basis over certain number of years equal to or less than the average remaining service period of the employees. However, under IFRS, actuarial gains and losses are recognized in other equity components through other comprehensive income when they arise and then, reclassified to retained earnings immediately. Past service cost is recognized in its entirety in profit or loss as it arises.

(19) Board Benefit Trust (BBT)

Under Japanese GAAP, the amount of the share-based payment obligations expected as of the end of the period is reported as provisions. However, under IFRS, equity-settled share-based payments are measured at fair value as of the grant date of the equity instruments with a corresponding increase in equity, and cash-settled share-based payments are measured at fair value as of the end of the period with a corresponding increase in liability.

(20) Reserves under special laws

Under Japanese GAAP, reserve for price fluctuation is reported pursuant to the Insurance Business Act. However, under IFRS, this reserve is not reported because the requirements for the recognition of liability are not met.

(21) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognized for temporary differences arising from

reconciliation from Japanese GAAP to IFRS, with adjustments recorded as 'retained earnings' or 'other equity components' depending on the related transaction. These temporary differences are mainly due to 'differences in recognition and measurement' related to insurance contracts and financial instruments.

(22) Reclassification of cumulative translation difference related to foreign operations

In relation to the first-time adoption of IFRS, the cumulative translation difference as of the date of transition is fully reclassified as retained earnings, as it was elected to apply the exemption provided under IFRS 1.

(23) Retained earnings

Effects on retained earnings arising from reconciliation to IFRS are as follows:

(Millions of yen)			
Item	Notes	Transition date (April 1, 2023)	Previous fiscal year (March 31, 2024)
Alignment of scopes of consolidation and end of the reporting periods	(10) (11)	78,453	83,616
Financial instruments	(13) (14)	208,913	365,987
Goodwill	(16)	—	19,035
Insurance contracts and reinsurance contracts	(17)	1,749,272	1,840,780
Reserves under special laws	(20)	110,858	116,413
Cumulative translation difference related to foreign operations	(22)	59,627	59,627
Others		(29,104)	(13,150)
Tax effects	(21)	(577,034)	(643,317)
Effect on retained earnings		1,600,986	1,828,994

Reconciliation of cash flows

There are no material differences between Japanese GAAP and IFRS on the consolidated statements of cash flows.